

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 20, 1995

SUBJECT: **HB 678 - SB 980**

This bill, if enacted, will change the definition of an alcoholic beverage to include anything other than a product labeled beer, ale, lager beer, stout and porter. The current restrictions, brand registration requirements and taxes in place for alcoholic beverages would apply to all other products such as coolers, cocktails, mixed drinks and other alcoholic beverages now marketed as products other than beer. These products will be subject to the wholesale liquor taxes and can only be distributed by liquor wholesalers and sold at retail by liquor stores.

The fiscal impact from enactment of this bill is estimated to be a net decrease in state and local government revenues. A decrease in revenues is estimated to occur from the loss in the state beer tax, the local 17% beer excise tax and state and local sales taxes from a reduction in the sales market of these products as well as subjecting them to a higher tax rate. An increase in revenues is estimated to occur from the state alcoholic beverage taxes including brand registration fees. A reasonable estimate of the impact on state revenues cannot be determined, but the net decrease in state and local revenues is estimated to exceed \$100,000, respectively.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director